

## Message Text

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DRAFTED BY EUR/RPE:FKINNELLY

5/31/74 EXT. 21697

APPROVED BY EUR/RPE:FKINNELLY

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R 311500Z MAY 74

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS

UNCLAS STATE 114269

FOLLOWING SENT SECSTATE WASHDC FROM OECD PARIS 30 MAY 74:

QUOTE UNCLAS OECD PARIS 13246

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: DECLARATION ON TRADE AND OTHER CURRENT

ACCOUNT MEASURES UNANIMOUSLY ADOPTED AT

OECD MINISTERIAL COUNCIL MAY 30

1. DECLARATION ON TRADE AND OTHER CURRENT ACCOUNT MEASURES UNANIMOUSLY ADOPTED AT OECD MINISTERIAL COUNCIL MAY 30 AND WAS RELEASED TO PUBLIC AS ATTACHMENT TO MINISTERIAL COMMUNIQUE (SEE SEPTTEL). TEXT OF DECLARATION SET FORTH BELOW. AMB EBERLE SUGGESTS DECLARATION BE REPEATED TO ALL U. S. DIPLOMATIC POSTS.

DECLARATION

GOVERNMENTS OF OECD MEMBER COUNTRIES,

CONSIDERING THAT, AMONG OTHER FACTORS, THE RISE

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IN OIL PRICES IS AGGRAVATING THE ECONOMIC PROBLEMS

CONFRONTING MEMBER COUNTRIES, AND NOTABLY THE PROBLEM OF INFLATION, AS WELL AS CAUSING ADDITIONAL STRUCTURAL PROBLEMS, AND THAT IT IS CREATING AN UNPRECEDENTED CHANGE IN THE STRUCTURE OF THE BALANCE OF PAYMENTS AND, IN PARTICULAR, A DETERIORATION OF CURRENT ACCOUNTS OF MEMBER COUNTRIES AS A WHOLE;

CONSIDERING THAT ALL MEMBER COUNTRIES ARE AFFECTED BY THESE DEVELOPMENTS THOUGH IN VARYING DEGREES;

AGREE:

THAT THE NATURE AND SIZE OF THE ABOVE-MENTIONED PROBLEMS FACING MEMBER COUNTRIES AS WELL AS A NUMBER OF DEVELOPING COUNTRIES CALL FOR WIDE COOPERATIVE ACTION IN THE FIELDS OF ECONOMIC, TRADE, FINANCIAL, MONETARY, INVESTMENT AND DEVELOPMENT POLICIES;

THAT THE FINANCING OF INTERNATIONAL PAYMENTS DEFICITS WILL CONSTITUTE A DIFFICULT PROBLEM FOR CERTAIN MEMBER COUNTRIES AND THAT, ACCORDINGLY, MEMBER COUNTRIES WILL COOPERATE FULLY TO FACILITATE SUCH FINANCING AND ARE READY TO CONSIDER APPROPRIATE ARRANGEMENTS WHICH MAY PROVE NECESSARY IN THIS RESPECT;

THAT UNILATERAL TRADE OR OTHER CURRENT ACCOUNT MEASURES BY ONE OR MORE MEMBER COUNTRIES TO DEAL WITH THIS SITUATION WOULD AGGRAVATE THE PROBLEMS OF OTHER COUNTRIES AND, IF GENERALIZED, WOULD BE SELF-DEFEATING AND HAVE A DEPRESSING EFFECT ON THE WORLD ECONOMY;

THAT COUNTRIES HAVE RESPONSIBILITIES BOTH AS IMPORTERS AND EXPORTERS TO AVOID DISRUPTION OF REGULAR TRADE FLOWS;

THAT, AS A MATTER OF URGENCY AND WITHOUT PREJUDICE TO THE OUTCOME OF THE MONETARY AND TRADE NEGOTIATIONS, THERE IS THEREFORE A NEED FOR A JOINT UNDERTAKING HAVING AS ITS OBJECTIVE TO PREVENT NEW UNILATERAL UNCLASSIFIED

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ACTION WHICH MAY HAVE A DETRIMENTAL IMPACT ON INTERNATIONAL ECONOMIC RELATIONS;

DECLARE THEIR DETERMINATION, IN THE LIGHT OF THE FOREGOING AND FOR A PERIOD OF ONE YEAR,

(A) TO AVOID HAVING RECOURSE TO UNILATERAL MEASURES, OF EITHER A GENERAL OR A SPECIFIC NATURE, TO RESTRICT

IMPORTS OR HAVING RECOURSE TO SIMILAR MEASURES ON THE OTHER CURRENT ACCOUNTS TRANSACTIONS, WHICH WOULD BE CONTRARY TO THE OBJECTIVES OF THE PRESENT DECLARATION;

(B) TO AVOID MEASURES TO STIMULATE EXPORTS OR OTHER CURRENT ACCOUNT TRANSACTIONS ARTIFICIALLY; AND, INTER ALIA, ABSTAIN FROM DESTRUCTIVE COMPETITION IN OFFICIAL SUPPORT OF EXPORT CREDIT AND AIM AT TAKING APPROPRIATE COOPERATIVE ACTIONS TO THIS EFFECT IN THE IMMEDIATE FUTURE;

(C) TO AVOID EXPORT RESTRICTIONS WHICH WOULD BE CONTRARY TO THE OBJECTIVES OF THE PRESENT DECLARATION;

(D) TO CONSULT WITH EACH OTHER, MAKING FULL USE OF THE GENERAL PROCEDURES OF CONSULTATION WITHIN OECD, IN ORDER TO ASSURE THAT THE PRESENT DECLARATION IS PROPERLY IMPLEMENTED;

(E) TO IMPLEMENT THE PRESENT DECLARATION IN ACCORDANCE WITH THEIR INTERNATIONAL OBLIGATIONS AND WITH DUE REGARD TO THE SPECIAL NEEDS OF DEVELOPING COUNTRIES. TURNER UNQUOTE KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Review Authority:** martinml  
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**TAGS:** EGEN, OECD  
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